

A DRAMATIC NEW TREND... A REMARKABLE FRANCHISE OPPORTUNITY

ShowBiz Pizza Place, Inc., is the leader in a dramatic new trend changing the face of the fast-food industry. ShowBiz Pizza Place, Inc., combines an established track record and remarkable opportunity for growth.

The ShowBiz Pizza Place restaurants combine several key ingredients in one all-family concept.

The key ingredients are ANIMATED EN-TERTAINMENT, UNIQUE RIDES AND GAMES, and QUALITY PIZZA.

People like pizza—it's one of the fastestgrowing segments of the fast-food industry. But at ShowBiz Pizza Place restaurants, they get much more than just good pizza.

A ShowBiz Pizza Place restaurant features a 3-stage, larger-than-lifesize animated floor show called "The Rock-Afire Explosion" which captivates audiences with its lifelike music, songs and skits.

To wide-eyed youngsters, the animated characters are very special friends who make a ShowBiz Pizza Place restaurant a vacation event close to home.

These "inhumanly funny" characters star in a totally different show every few minutes at every ShowBiz Pizza Place restaurant, and it's all done with music synchronized to animated movements—a rare combination of showmanship and mechanical genius.

"Come for the Pizza . . . Stay for the Fun!"
That's the theme—and it's backed up by a quality menu, a fantastic animated show, group party facilities, and more than 60 new electronic games and rides for every age.

Thus, a ShowBiz Pizza Place restaurant is more than just good pizza. It's an exciting family event.

Families come—and they come back: to see new shows, to enjoy new games and rides, and to have a mini-vacation for the price of a pizza and a few quarters.

Franchises will be awarded to those with the financial resources and business judgment to properly develop this exciting new concept. ShowBiz Pizza Place, Inc., is the franchisor of ShowBiz Pizza Place restaurants. Franchise opportunities are limited, and qualified applicants should not delay.



ELECTRONIMATION: SUPERIOR ANIMATION

The stars of ShowBiz Pizza Place restaurants are the members of the "Rock-Afire Explosion," animated animal characters who perform every type of music from Rhythm and Blues to Rock and Roll. The illusion that these characters are actually performing the music is accomplished through highly accurate movement and

light synchronization. Dook LaRoo actually plays his four-piece drum set in perfect rhythm. Fatz, the gorilla, performs on a synthesizer that comes to life with its own light show. Beach Bear sings and plays his guitar

with enough energy to rival the most active live performers. And Mitzi Mozzarella carries the beat with her highly fluid arm movements and her high school cheerleader style. Billy Bob Brockali and Looney Bird, and Rolfe de Wolfe and his puppet friend Earl Schmerle round out this delightful cast who perform every few minutes on three stages at ShowBiz Pizza Place restaurants. Made possible by Electronimation,™ created by Aaron Fechter of Creative Engineering, Inc., the animated show now performs in all ShowBiz Pizza Place restaurants operated by the company, and is available to all franchisees under an exclusive licensing agreement.



ELECTRONIC GAMES... THE NEW NATIONAL PASTIME!

"Energizers . . . humanoid attacks . . . asteroid invasions . . ."

The new vocabulary you're hearing is indicative of the electronic game craze now sweeping the country.

According to a recent article in Business Week,* video games have acquired an aura of respectability based on the public's acceptance of high technology and the popularity of science fiction movies.

The unique combination of popular food items and entertainment with one of the nation's fastest-growing leisure-time activities puts ShowBiz Pizza Place restaurants at the fore-front of family fun centers.

At ShowBiz Pizza Place restaurants, there are more than 60 games and rides for the entire family to enjoy. They provide entertainment while the pizza is being prepared, and keep the customer and his family in the restaurant long after the pizza is gone.





GREAT FOOD... GREAT FUN!

Great food and great fun . . . it's a hard combination to beat!

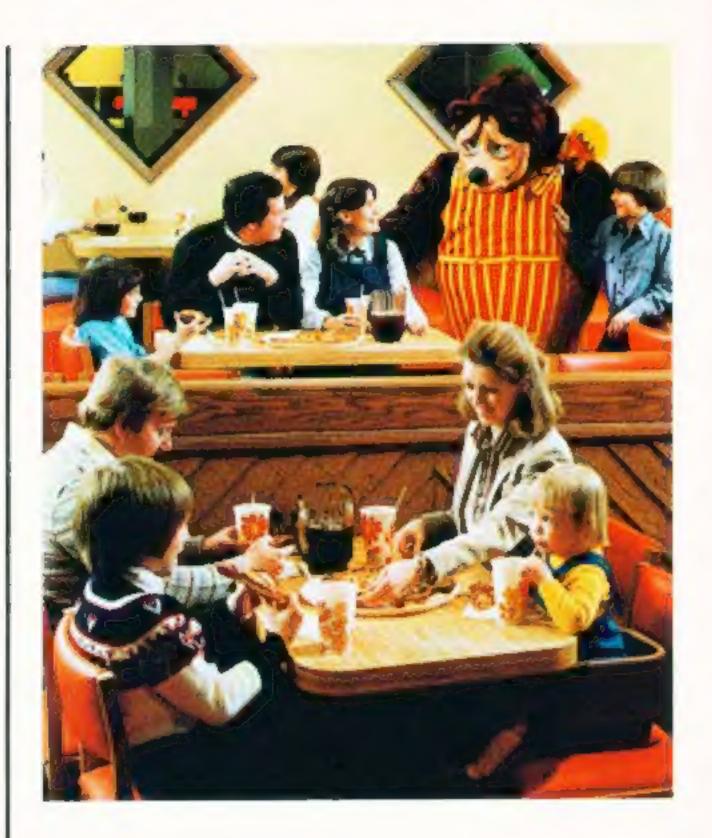
And to make sure our pizza's every bit as good as our fun, we take the extra quality steps that keep folks coming back for more.

We mix our dough fresh every day. We pile on the good things . . . real cheese, quality toppings. And we bake it in flo-thru baker ovens timed to the second!

And for other appetites, we feature roast beef sandwiches, hot dogs, and a popular salad bar.

As a ShowBiz Pizza Place restaurant franchisee, an essential part of your participation in our training school will be learning to maintain the highest quality food and service standards.

There is no mystery to quality. It is a result of careful planning, attention to detail, and a commitment to excellence. Prior food experience is not essential for a successful ShowBiz Pizza Place franchisee if he or she has these qualities.









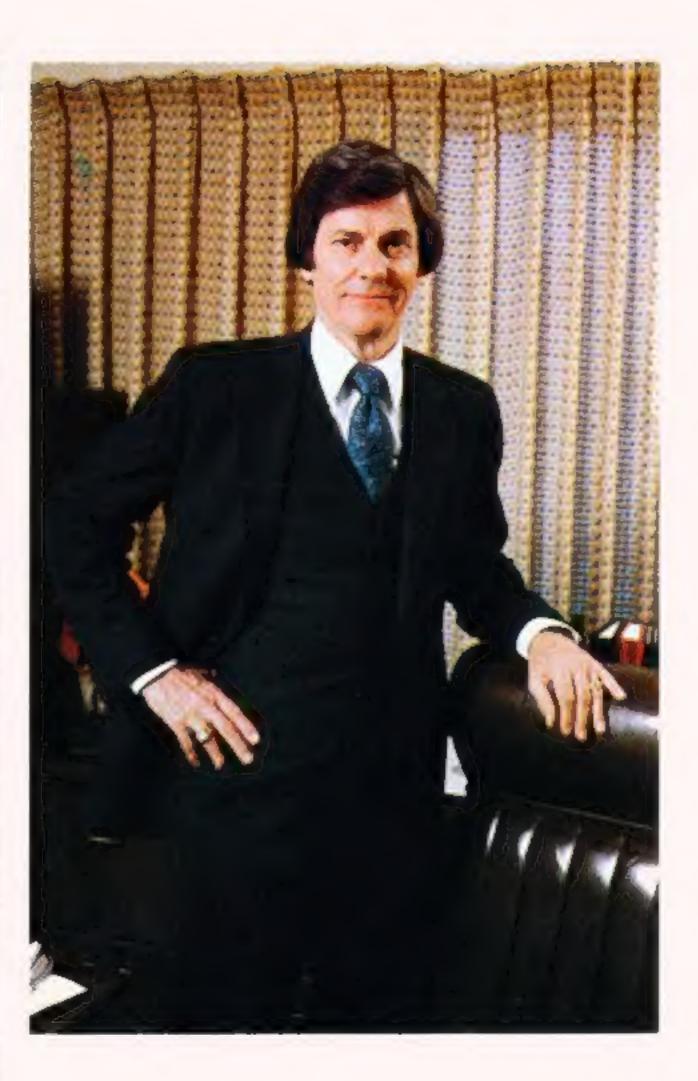
BROCK HOTEL CORPORATION... A SOLID COMPANY

ShowBiz Pizza Place, Inc., is a subsidiary of the Brock Hotel Corporation, 80% owned by Brock.

Brock Hotel Corporation operates 56 Holiday Inns and Park Suite Hotels in 22 states.

As of July 1, 1981, the company had 21 ShowBiz Pizza Place restaurants in operation, and development or construction had commenced for 24 more openings by the end of the year. ShowBiz Pizza Place, Inc., expects to have at least 100 ShowBiz Pizza Place restaurants by the end of 1982 primarily in the Midwest and South.

Robert L. Brock, President and Chairman of the Board, continues as the head of the company he and Ed Linquist founded and built from a single hotel to one of the nation's leading hospitality firms. Brock Hotel Corporation is the successor to their original corporation which operated 46 Holiday Inns at the time they sold it to Holiday Inn, Inc., in 1969.



THE SHOWBIZ PIZZA PLACE, INC. FRANCHISE AGREEMENT

The management team at ShowBiz Pizza
Place, Inc., understands what it is to be a
franchisee and, in light of its experience and
background, has attempted to insure that the
franchise agreement is fair and equitable. It
clearly establishes the rights and obligations of
both parties, giving the franchisee the legal
right to establish and operate a ShowBiz Pizza
Place restaurant.

ShowBiz Pizza Place, Inc., supports, as do the Federal Trade Commission and state franchise administrators, the use of the Uniform Franchise Offering Circular, which explains in simple language the significant details of the agreement.

Exclusive area development contracts are available for a negotiated fee of approximately \$1,000 to \$10,000 per restaurant. The fee will be determined on an individual basis for each area by reviewing a number of factors, including population density, average household income and number of children per household in the area.

In addition, the franchisee fee is \$25,000 for each ShowBiz Pizza Place restaurant.

Upon opening the ShowBiz Pizza Place restaurant, the franchisee shall be obligated to pay to the franchisor on a continuing basis through the term of the franchise agreement, a royalty fee of 4.5% of gross sales per month. The franchisee also will contribute to a national Advertising Fund 1% of gross sales per month, to a ShowBiz Pizza Place College Training Fund 3/10ths of 1% of gross sales per month, and to

an Animated Entertainment Fund 2% of gross sales per month for all animated entertainment replacement and for software (musical numbers and skits). Company (franchisor) operated restaurants will make identical payments to these special funds for advertising, training and entertainment.

The ShowBiz Pizza Place Franchise Agreement is for a term of 15 years, and provides for renewal of the Franchise Agreement for a period not to exceed 15 years.



DESIGNED TO MAXIMIZE SALES

The distinctive exterior and interior design of ShowBiz Pizza Place restaurants provides not only an appealing and attractive facility, but is designed to maximize efficiency in operation.

A typical ShowBiz Pizza Place restaurant is 10,000 sq. ft. and can be easily adapted to different sites. It can be either a freestanding restaurant or located in a shopping center. Each unit is generally divided into four main sections:

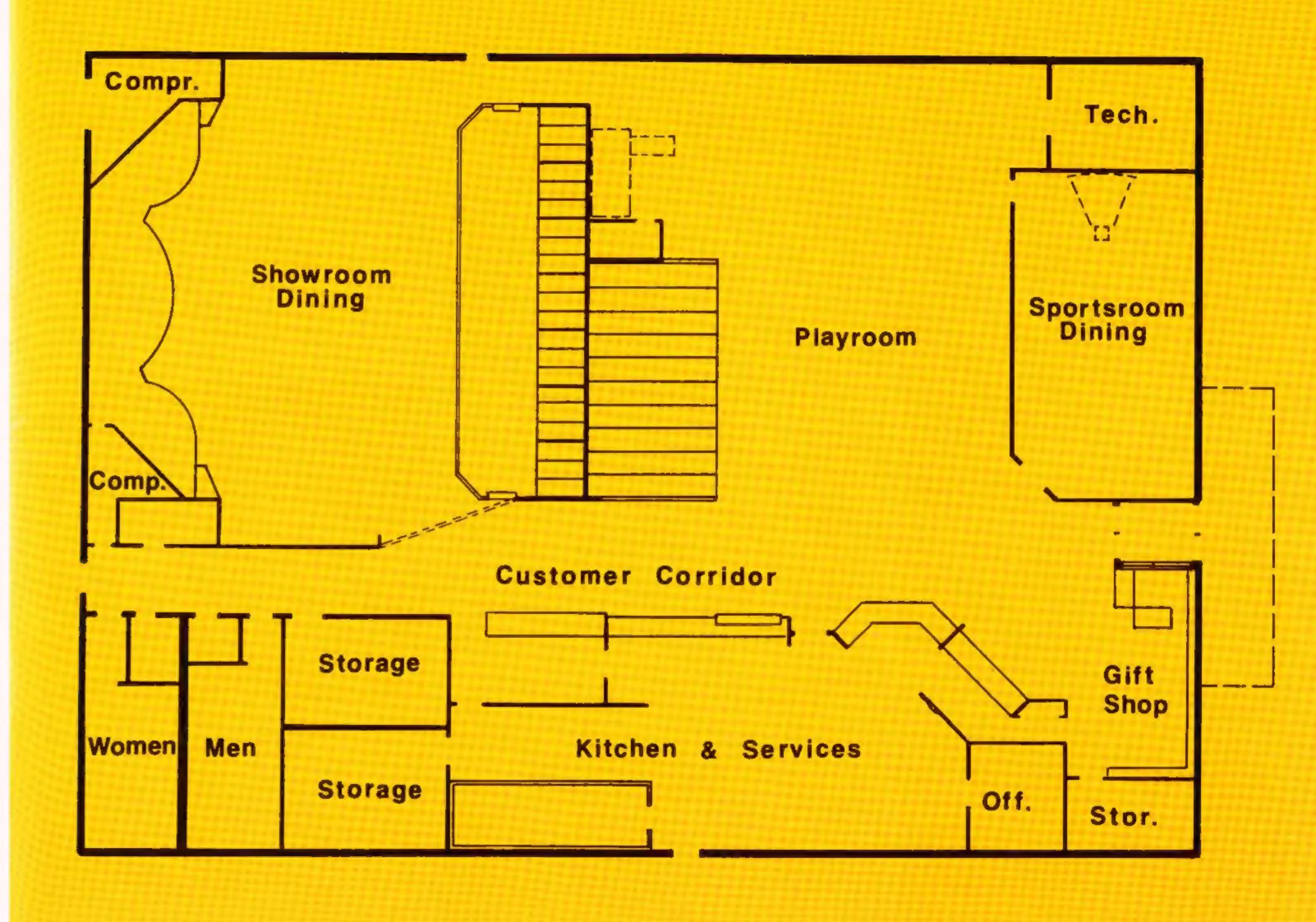
Food Service Area—Features a highly efficient kitchen for fast uniform service of a variety of pizza selections, sandwiches, salads and beverages.

Showroom Dining—The main dining room of the restaurant, which features a three-stage floor show of larger-than-lifesize animated characters who perform a four- to five-minute show every twelve minutes, with a special show for birthday parties.

Playroom—A family-oriented activity room which contains a variety of coin and token-operated video games, rides and arcade-style activities for every member of the family.

Sportsroom Dining—A dining room with bigscreen television for sports events and other shows, and electronic table games.





COMPLETE FRANCHISE SERVICES

A SEASONED FRANCHISE DEPARTMENT

The staff of the Franchise Department is experienced in many aspects of the family entertainment/restaurant industry. They will explain the rewards of a ShowBiz Pizza Place restaurant franchise.

A franchise representative will outline the cost of a franchise. He will explain the initial franchise fee, continuing royalty fee based on a percentage of the gross sales, and assessments paid into special funds by franchised restaurants and company restaurants alike. A percentage of monthly gross sales will be contributed by both franchisor and franchisee to the Animated Entertainment Fund, the Advertising Fund and the Training Fund.

It could be expected that the cost of a 10,000-sq.-ft. ShowBiz Pizza Place restaurant, when ready to open and excluding cost of land and building, will range from \$611,000 to \$730,000. Procedures, requirements and evaluation criteria for site selection will be provided to the franchisee. Standards and demographic requirements may vary by

individual markets. As a franchisee, you should familiarize yourself with city demographic sectors, growth areas, major traffic arteries, central business district, regional malls, major competitors, tourist attractions and school districts. This information will then be provided to the Franchise Sales Department prior to a site visit by a representative.

ShowBiz Pizza Place, Inc., will provide, upon request, the names of potential sources for financing and leasing, but will not participate in financing of franchised restaurants.



PROJECTS DEVELOPMENT

After a site has been approved, the franchisee will receive a referral list of architects, engineers and contractors who have successfully developed the ShowBiz Pizza Place restaurant plan. Each franchisee will be provided a set of prototype building plans and minimum design and construction standards, which the franchisee's architect may use to develop final plans and specifications. A list of the necessary furniture, fixtures, equipment, and approved electronic games and rides with suggested supply sources also will be provided.

The Franchise Projects Development Department will work with the franchisee's architects and engineers to make sure that the final plans are drawn in compliance with the minimum required specifications. ShowBiz Pizza Place restaurants usually are built by independent general contractors who assume full responsibility for building according to the architect's plans. The franchisee should become actively involved in the construction process, because he and the architect hold final responsibility for meeting the construction standards. The Franchise Projects Development Department will visit the site, offer advice and help, to insure that the project is being built in accordance with ShowBiz Pizza Place, Inc., standards.

A complete list of specifications and vendors for furniture, fixtures and equipment will be provided. Prior to construction, a meeting with Brock Hotel Corporation's supply company is recommended because it has valuable expertise and experience in the acquisition of furniture, fixtures and equipment. There is no obligation, however, to make any purchases from the supply company.

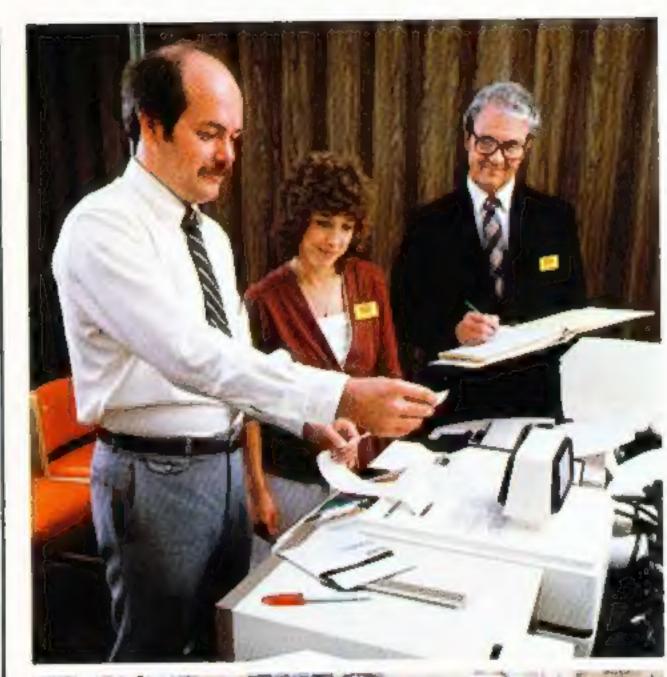
OPERATIONS DEPARTMENT

The Franchise Operations staff is prepared to assist the franchisee in a variety of areas.

Store managers and electronic specialists will receive training at the ShowBiz Pizza Place College in the following areas: food quality; sanitation; security; management; interviewing, hiring and scheduling of personnel; and monitoring and maintenance of games, rides and shows. Supplemental training also is provided.

Pre-opening assistance and a Confidential Operations Manual will be provided to franchisees. After the restaurant is open, the Franchise Area Representative will consult with the franchisee on such key subjects as profit and loss analysis, food and beverage cost control, management evaluation, security and safety procedures. This department constantly searches for innovations that will improve the system further, and it continues to be a source of useful information and assistance.

ShowBiz Pizza Place, Inc., Quality Assurance personnel will regularly visit all ShowBiz Pizza Place restaurants to assure the proper standards are being met. The department is a constant source of ideas and innovation, and its evaluations should help to improve service and to build a loyal following of customers.





ADVERTISING/ MARKETING

Effective advertising and promotion are important factors in the successful development of the ShowBiz Pizza Place system.

Franchisees will be required to maintain a local advertising and promotional program equal to 3% of gross sales. Franchisees also will participate, along with franchisor's restaurants, in a national advertising and production pool funded by 1% of gross sales.

Franchisees will receive an advertising/ marketing kit with suggestions and supplies for Grand Opening advertising and other suggested advertising programs. This kit includes suggested ads, news releases, photographs, suggested radio copy, and artwork for reproduction of invitations, birthday club literature, yellow pages ad and various other materials designed to help initiate and maintain an effective advertising program. At a nominal cost for reproduction, 30-second television spots adaptable for local use, a reel-to-reel tape of the ShowBiz Pizza Place musical jingle, and four-color direct-mail pieces and newspaper inserts will be provided. And, as future materials are produced for the national cooperative advertising program, these materials will be made available to individual franchisees for use in their local promotional programs.

ShowBiz Pizza Place, Inc., will make available marketing and research information which will help franchisees decide upon effective local media and promotions.

Creative materials will be provided to franchisees, for it is important that the ShowBiz Pizza Place concept maintains a consistent public image. The use of any advertising not furnished by ShowBiz Pizza Place, Inc., must be approved by the company prior to its publication or broadcast.





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